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**EXHIBIT A**

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 ROBERT W. KIDDER  
 CLERK U.S. DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 SAN JOSE

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 96 SEP 10 AM 8:36  
 RICHARD W. HICKING  
 CLERK  
 U. S. DISTRICT COURT  
 NO. DIST. OF CA. S.J.

Attorneys for Plaintiff  
 OKI America, Inc.

RECEIVED  
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 ROBERT W. KIDDER  
 CLERK U.S. DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 SAN JOSE

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

OKI America, Inc.

Plaintiff,

- against -

Telefonaktiebolaget  
 L.M. Ericsson, Sweden and  
 Ericsson, Inc.

Defendants.

COMPLAINT FOR  
 DECLARATORY RELIEF

OKI America, Inc., ("OKI America") hereby complains and  
 alleges as follows:

**PARTIES**

1. OKI America is a corporation organized and existing  
 under the laws of the State of Delaware with its principal place  
 of business located at 3 University Plaza, Hackensack, New Jersey.  
 An OKI America operating division, OKI Semiconductor, has its  
 principal place of business located within this District at 785  
 North Mary Avenue, Sunnyvale, California. In addition, another  
 OKI America operating division, OKIDATA, has a research and  
 development facility located within this district at 2087 Ringwood  
 Avenue, San Jose, California, a distribution and sales facility

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1 located within this District at 1101 Cadillac Court, Milpitas,  
2 California, and several sales offices with'n this District.

3 2. Upon information and belief, defendant  
4 Telefonaktiebolaget L.M. Ericsson, Sweden is a corporation  
5 organized and existing under the laws of Sweden with a principal  
6 place of business in Stockholm, Sweden.

7 3. Upon information and belief, defendant Ericsson,  
8 Inc. is a corporation organized and existing under the laws of New  
9 Jersey and having a principal place of business in Research  
10 Triangle Park, North Carolina. Ericsson, Inc. is a successor  
11 corporation of Ericsson GE Mobile Communications, Inc.

12 JURISDICTION AND VENUE

13 4. Upon information and belief, defendants  
14 (collectively, "Ericsson") have sufficient contacts with this  
15 District to subject them to the personal jurisdiction of this  
16 Court for this declaratory judgment action.

17 5. Ericsson, Inc. or its subsidiaries and joint  
18 ventures have offices or production facilities in this District,  
19 including facilities in Menlo Park, California, Pleasanton,  
20 California and Hayward, California. Ericsson, Inc. also has  
21 research and development and technology centers in Morgan Hill,  
22 California and Cypress, California.

23 6. Ericsson has purposefully placed numerous of its  
24 products into the stream of commerce with the expectation that  
25 they will be purchased by consumers in California, including this  
26 District.

27 7. Ericsson has purposefully entered into contracts  
28 with California entities, to be performed in California, including

1 a 300 million dollar contract to build portable phones and base  
2 stations in California for Pacific Bell, and a contract with  
3 Personal Technology Services of Los Angeles, which Ericsson is  
4 currently performing, in part, by installing a SuperCordless  
5 personal communications trial system in the hotel and business  
6 areas of San Francisco.

7 8. Ericsson has availed itself of this forum as  
8 plaintiff in a suit arising out of the city of San Francisco's  
9 award of a contract for an emergency radio system to an Ericsson  
10 competitor, Motorola.

11 9. Legal counsel for Ericsson have directed  
12 correspondence and telephone calls to OKI America's outside  
13 litigation counsel in this District, as part of Ericsson's ongoing  
14 assertion that OKI America is infringing the nine patents out of  
15 which this action arises.

16 10. Subject matter jurisdiction in this Court is proper  
17 under 28 U.S.C. §§ 1331 and 2201.

18 11. Venue in this District is proper under 28 U.S.C.  
19 Section 1391, in that a substantial part of the events giving rise  
20 to the claim occurred within this District and both parties are  
21 actively conducting business within this District.

22 FIRST CLAIM FOR RELIEF

23 12. The allegations in Paragraphs 1 through 5, above,  
24 are incorporated as if fully set forth herein.

25 13. OKI America manufactures a variety of  
26 communications devices, including cellular telephones.

27 14. Ericsson has asserted that its rights in and to the  
28 following patents entitle it to sue OKI America based on alleged

1 infringement thereof: United States Patent No. 5,088,108,  
2 entitled "Cellular digital mobile radio system and method of  
3 transmitting information in a digital cellular mobile radio  
4 system" ("the '108 Patent"); United States Patent No. 5,109,528,  
5 entitled "Handover method for mobile radio system" ("the '528  
6 Patent"); United States Patent No. 5,148,485, entitled "Encryption  
7 system for digital cellular communications" ("the '485 Patent");  
8 United States Patent No. 5,239,557, entitled "Discontinuous CDMA  
9 reception" ("the '557 Patent"); United States Patent No.  
10 5,283,250, entitled "Method of carrying out an authentication  
11 check between a base station and a mobile station in a mobile  
12 radio system" ("the '250 Patent"); United States Patent No.  
13 5,327,577, entitled "Handover method for mobile radio system"  
14 ("the '577 Patent"); United States Patent No. 5,390,245, entitled  
15 "Method of carrying out an authentication check between a base  
16 station and a mobile station in a mobile radio system" ("the '245  
17 Patent"); United States Patent No. 5,430,760, entitled "Random  
18 access in mobile radio telephone systems" ("the '760 Patent"); and  
19 United States Patent No. 5,230,003, entitled "Decoding system for  
20 distinguishing different types of convolutionally-encoded signals"  
21 ("the '003 patent").

22 15. Ericsson has repeatedly asserted that OKI America's  
23 manufacture, use and sale of cellular telephones constitute  
24 infringement of the '108 patent, the '528 patent, the '485 patent,  
25 the '557 patent, the '250 patent, the '577 patent, the '245  
26 patent, the '760 patent, and the '003 patent.

27 16. OKI America denies that it infringes any claims of said  
28 patents.

1 17. Furthermore, OKI America alleges that each of the  
2 asserted patents is invalid under 35 U.S.C. Sections 102, 103 and  
3 112.

4 18. OKI America has met several times with Ericsson to  
5 discuss Ericsson's allegations that OKI America infringes the  
6 Ericsson patents. Initial licensing negotiations have now broken  
7 down. Based on comments made by Ericsson's representatives, OKI  
8 America has a reasonable apprehension of being sued for  
9 infringement of the nine Ericsson patents cited above.

10 19. An actual controversy exists between OKI America  
11 and defendants as to whether the asserted patents are invalid  
12 and/or not infringed by OKI America.

13 WHEREFORE, OKI America demands that the Court declare  
14 and adjudge:

15 A. That each of the asserted patents is not valid and  
16 is not infringed by the manufacture, purchase, use or sale of OKI  
17 America cellular telephones;

18 B. That defendants and each of their employees,  
19 agents, alter egos, attorneys and/or any person in active concert  
20 or participation with them be restrained from instituting any  
21 action against OKI America claiming that the above-referenced  
22 patents are valid or infringed by OKI America.

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1 C. Such other and further relief as the Court may deem  
2 just and proper.

3 Dated: September 9, 1996

4 MATTHEW D. POWERS  
5 WEIL, GOTSHAL & MANGES LLP

6  
7 By: Matthew D. Powers / chr  
8 Matthew D. Powers  
9 Attorneys for Plaintiff  
10 OKI America, Inc.  
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**EXHIBIT B**

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION

**FILED**  
U. S. DISTRICT COURT  
Eastern District of Texas

MAY 22 1997

DAVID M. HARRIS, CLERK  
By *[Signature]*  
Deputy

Ericsson Inc. and Telefonaktiebolaget  
LM Ericsson,

*Plaintiff,*

v.

QUALCOMM Incorporated,

*Defendant.*

Civil Action No. 2-96CV183

QUALCOMM, Inc.,

*Counterclaimant,*

v.

Ericsson Inc. and Telefonaktiebolaget LM  
Ericsson,

*Counterdefendant.*

**QUALCOMM'S SECOND AMENDED ANSWER  
AND AMENDED COUNTERCLAIM**

Defendant QUALCOMM Incorporated ("QUALCOMM") files this its Second Amended Answer and Amended Counterclaims in response to the Second Amended Complaint for Patent Infringement ("Complaint") filed by Plaintiff Ericsson Inc. and Telefonaktiebolaget LM Ericsson (jointly "Ericsson") as follows:

**QUALCOMM'S SECOND AMENDED ANSWER  
AND AMENDED COUNTERCLAIM - Page - 1 -**

**ANSWER**

1. QUALCOMM is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 1 of the Complaint.
2. QUALCOMM is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 2 of the Complaint.
3. QUALCOMM admits the allegations of paragraph 3 of the Complaint.
4. In response to the allegations of paragraph 4 of the Complaint, QUALCOMM admits that the action arises under the patent laws of the United States and does not contest subject matter jurisdiction in this Court.
5. To the extent that the allegations of paragraph 5 of the Complaint purport to establish minimum contacts for personal jurisdiction and venue purposes, they are moot.
6. QUALCOMM does not contest venue.
7. QUALCOMM is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 7 of the Complaint.
8. No response is necessary to the allegations of paragraph 8 of the Complaint.
9. In response to the allegations of paragraph 9 of the Complaint, QUALCOMM is without knowledge or information sufficient to form a belief as to the truth of the allegations that plaintiffs are now (and at all relevant times have been) the owners and processors of all rights pertaining to each and every one of the Ericsson Patents in Suit, and deny the remaining allegations contained in paragraph 9 of the Complaint.
10. QUALCOMM denies all of the allegations of paragraph 10 of the Complaint.
11. QUALCOMM denies all of the allegations of paragraph 11 of the Complaint.

12. QUALCOMM denies all of the allegations of paragraph 12 of the Complaint.
13. QUALCOMM denies all of the allegations in paragraph 13 of the Complaint.
14. QUALCOMM denies all of the allegations in paragraph 14 of the Complaint.
15. QUALCOMM denies all of the allegations in paragraph 15 of the Complaint.

### **AFFIRMATIVE ALLEGATIONS**

For its Affirmative Defenses and Counterclaims, QUALCOMM alleges as follows:

#### **FACTUAL SUPPORT**

16. Counterclaim plaintiff QUALCOMM Inc. ("QUALCOMM") is a Delaware corporation. QUALCOMM maintains its headquarters and principal place of business in San Diego, California. QUALCOMM develops, manufactures, markets, licenses, and operates advanced communications systems and products based on its proprietary digital wireless technologies.

17. Ericsson has alleged, and upon such basis QUALCOMM is informed and believes, that defendant Telefonaktiebolaget LM Ericsson is a corporation that is organized under the laws of Sweden and which maintains a principal place of business in Stockholm, Sweden.

18. Ericsson has alleged, and upon such basis QUALCOMM is informed and believes, that defendant Ericsson, Inc. is a Delaware corporation that maintains a principal place of business at Richardson, Texas. QUALCOMM is further informed and believes that Defendant Ericsson, Inc. is the successor-in-interest of Ericsson Radio Systems, Inc.

19. QUALCOMM is informed and believes that defendant Telefonaktiebolaget LM Ericsson owns or otherwise dominates and controls defendant Ericsson, Inc. QUALCOMM is further informed and believes that Ericsson, Inc. and a predecessor-in-interest, Ericsson Radio

Systems, Inc. at all times relevant hereto have acted as the agent and authorized representative of Telefonaktiebolaget LM Ericsson. Unless otherwise indicated, for purposes of these factual support allegations, the term "Ericsson" collectively refers to defendant Ericsson, Inc., predecessor-in-interest Ericsson Radio Systems, Inc. and defendant Telefonaktiebolaget LM Ericsson.

20. Prior to QUALCOMM's entry into the cellular communications field and continuing thereafter, Ericsson has promoted the adoption in the United States of a wireless digital technology for cellular communications known as Time Division Multiple Access ("TDMA"), and a European variant of TDMA known as Global System for Mobile Communications ("GSM"). Until recently, Ericsson made and sold digital cellular products employing only the TDMA and GSM technology.

21. In 1989, QUALCOMM announced that it had developed for cellular communications applications an implementation of an alternative digital wireless technology known as Code Division Multiple Access ("CDMA"). Shortly thereafter, Ericsson asked QUALCOMM and QUALCOMM agreed to disclose this proprietary CDMA technology to Ericsson in confidence for the purpose of Ericsson's evaluation.

22. Specifically, in or about December 1989, Ericsson Radio Systems, Inc. and QUALCOMM entered into a written Nondisclosure Agreement (the "QUALCOMM/Ericsson NDA"), a copy of which is attached hereto as Exhibit A, pursuant to which QUALCOMM disclosed in confidence its proprietary CDMA technology and know-how to Ericsson. Pursuant to the QUALCOMM/Ericsson NDA, Ericsson acknowledged and agreed that QUALCOMM's specific implementation of CDMA technology, including QUALCOMM's techniques for soft handoff, interference control, voice activity detection, power control, multiple receivers for

multipath mitigation and CDMA signal design, including forward error correction, PN sequence generation, pilot carrier and CDMA synchronization, were confidential and proprietary to QUALCOMM. Ericsson agreed not to use the confidential information disclosed by QUALCOMM for any purpose whatsoever, except as expressly provided in the QUALCOMM/Ericsson NDA. In addition, Ericsson agreed to assign to QUALCOMM any invention conceived by Ericsson or any member of their organization which has, as its fundamental substance, the confidential subject matter disclosed by QUALCOMM, and which principally resulted from review of that subject matter.

23. QUALCOMM'S disclosures of its proprietary technology to Ericsson were made in writing and orally in meetings between technical and managerial personnel of QUALCOMM and Ericsson beginning in 1989 and continuing through at least 1991. At least one of the named inventors of the Ericsson Patents in Suit was in attendance at these meetings. At no time during any of the meetings with QUALCOMM did Ericsson contend that any of the technology or know-how disclosed by QUALCOMM to Ericsson was proprietary to Ericsson or the subject of any patents or patent applications of Ericsson, or that any Ericsson employee had made or conceived any invention relevant to QUALCOMM's CDMA technology.

24. QUALCOMM is informed and believes that one or more of the inventions claimed in the eleven Ericsson Patents in Suit, and in particular of the '557 and '76() patents, have as their fundamental substance QUALCOMM's proprietary CDMA information disclosed to Ericsson by QUALCOMM pursuant to the QUALCOMM/Ericsson NDA, and that said inventions were conceived principally as a result of reviewing such QUALCOMM proprietary CDMA information.

25. In early 1992, QUALCOMM proposed the adoption of an industry-wide CDMA standard, eventually called IS-95, to establish compatibility between systems and equipment of those companies who choose to adopt QUALCOMM's proprietary CDMA technology.

26. QUALCOMM is informed and believes that Ericsson recognized that the adoption of IS-95 as an industry standard in the United States would jeopardize Ericsson's future sales of GSM and TDMA-based products and technology. Consequently, Ericsson thereafter publicly disparaged QUALCOMM's CDMA technology and acted to obstruct the industry's evaluation and acceptance of IS-95 as an industry standard. In addition, Ericsson, without any basis, claimed that its older and less efficient GSM/TDMA technologies were superior to the QUALCOMM CDMA technology contained in IS-95.

27. In June 1993, in spite of Ericsson's objections and opposition, the Telecommunications Industry Association ("TIA") adopted QUALCOMM's IS-95 industry standard for CDMA technology and later an amended standard called IS-95-A. The telecommunications industry also adopted a standard based on IS-95 for the new digital Personal Communications Systems ("PCS") services. The PCS standard is called ANSI J-STD-008. (ANSI J-STD-008, IS-95 and IS-95-A are collectively referred to herein as IS-95-A). The QUALCOMM technology embodied in the IS-95-A standard has been commercially accepted and implemented throughout the United States by leading wireless telephone service providers such as Airtouch, NYNEX, Bell Atlantic, Alltel Mobile, Spring, Primeco, Ameritech, U.S. West and others.

28. After Ericsson lost its effort to block approval of QUALCOMM's IS-95 CDMA standard in the United States, Ericsson began to assert publicly that it held United States patents which were "essential" to the implementation and operation of wireless telephone systems

implementing the IS-95 standard. In direct contradiction to its prior acknowledgment in the QUALCOMM/Ericsson NDA that the CDMA technology embodied in IS-95 was proprietary to QUALCOMM, Ericsson publicly stated that a license from Ericsson under "essential" Ericsson patents would be necessary for anyone who wished to make or use cellular telephones and telephone systems practicing the IS-95-A standard. For instance, in an August 1995 Ericsson mid-year financial report, Ericsson boasted of having an "advanced CDMA development" program which had resulted in "a significant number" of U.S. patents embracing IS-95-A. In particular, Ericsson claimed that "several [of their U.S. patents] represent[ed] blocking patents with the USA IS-95 standard, whereby future users of this technology must have a license with Ericsson." Additionally, during 1995 and 1996, Ericsson, through its Vice President of Legal Affairs and other representatives, sent letters to QUALCOMM and QUALCOMM's customers and licensees, claiming that all of Ericsson's supposedly "essential" patents would be required for such companies' respective implementation of the IS-95-A standard.

29. Specifically, Ericsson contended and still contends to QUALCOMM and others in the industry, particularly existing and potential customers and licensees of QUALCOMM, that these "essential" patents are U.S. Patent Nos. 5,088,108 ("the '108 patent"), 5,109,258 ("the '528 patent"), 5,148,485 ("the '485 patent"), 5,239,557 ("the '557 patent"), 5,282,250 ("the '250 patent"), 5,327,577 ("the '577 patent"), 5,390,245 ("the '245 patent"), and 5,430,760 ("the '760 patent"), hereinafter "Ericsson's Eight Patents", and are necessarily infringed by anyone who makes or uses wireless telephones and/or wireless telephone systems practicing the IS-95-A standard. In addition to Ericsson's Eight Patents, Ericsson has threatened QUALCOMM, alleging that QUALCOMM infringes U.S. Patent No. 5,193,140 (the "'140 patent"), 5,230,003 ("the '003 patent") and 5,551,073 ("the '073 patent").

10. Ericsson knew and still knows that Ericsson's Eight Patents are of limited scope and are not of the breadth asserted and were not and would not all be enforceable against those practicing the IS-95-A standard. Furthermore, Ericsson knew and intended that its false claims to ownership of patents that would supposedly "block" QUALCOMM and others from making or using wireless telephones and telephone systems implementing the IS-95 standard would have an anticompetitive effect and injure QUALCOMM'S business by causing, *inter alia*, significant uncertainty and confusion in the United States and throughout the world over the ability to implement wireless telephone systems employing QUALCOMM'S CDMA technology. Ericsson further knew that QUALCOMM'S CDMA technology embodied in IS-95-A was proprietary to QUALCOMM, and had so acknowledged and agreed in the QUALCOMM/Ericsson NDA. Nevertheless, Ericsson continued to assert to QUALCOMM, to QUALCOMM'S licensees, and potential licensees, and to QUALCOMM'S customers and potential customers that anyone manufacturing or selling CDMA telecommunication equipment compliant with the IS-95-A standard would necessarily infringe all the "essential" Ericsson Eight Patents.

**FIRST AFFIRMATIVE DEFENSE  
(LACK OF STANDING)**

31. QUALCOMM incorporates by reference paragraphs 16-24 hereof.
32. Ericsson lacks standing to assert any claim of infringement, particularly of the '557 and '760 patents, because QUALCOMM is the equitable owner of these patents.

**SECOND AFFIRMATIVE DEFENSE  
(FAILURE TO STATE A CLAIM)**

33. The Complaint fails to state a claim against QUALCOMM upon which relief can be granted.

**THIRD AFFIRMATIVE DEFENSE  
(NON-INFRINGEMENT)**

34. QUALCOMM does not infringe and has not infringed any claim of the Ericsson Patents in Suit.

**FOURTH AFFIRMATIVE DEFENSE  
(PATENT INVALIDITY)**

35. Based upon information presently available, and without prejudice to further amendment as a result of discovery, the Ericsson Patents in Suit are invalid and unenforceable for one or more of the following grounds:

- (a) because the subject matter of the claimed inventions was described and/or made obvious to a person having ordinary skill in the art to which the patents pertain, by the teachings of the respective prior art of record in the said patents, particularly to the extent that Ericsson attempts to construe the scope of claimed inventions of the Ericsson Patents in Suit to be infringed by any product made, used, sold or offered for sale by QUALCOMM, the Ericsson Patents in Suit thereby being invalid and unenforceable as failing to meet the novelty and nonobviousness requirements of 35 U.S.C. §§ 101, 102 and 103;
- (b) in addition, because the subject matter of the claimed inventions of the Ericsson Patents in Suit was described and/or made obvious by the teachings in U.S. patents and publications not considered by the Patent Examiner during their prosecution, such patents thereby being invalid and unenforceable as failing to meet the novelty and non-obviousness requirements of U.S.C. §§ 101, 102 and 103;
- (c) in addition, because the named inventors of the '760 and '557 patents did not themselves invent the subject matter of the claimed inventions, to the extent that

Ericsson construes the scope of protection of those patents to be infringed by any product made, used, sold or offered for sale by QUALCOMM, such subject matter having been previously disclosed by QUALCOMM pursuant to the QUALCOMM/Ericsson NDA, such patents thereby being invalid and unenforceable as failing to meet the requirements of 35 U.S.C. §§ 102(f);

- (d) in addition, because the written description of the claimed inventions in each of the Ericsson Patents in Suit is not in such full, clear, concise and exact terms as to enable a person skilled in the relevant art to make and use the invention, in violation of the requirements of 35 U.S.C. § 112(1); and
- (e) in addition, because the claims of the Ericsson Patents in Suit do not particularly point out and distinctly claim the subject matter of the alleged inventions, in violation of the requirements of 35 U.S.C. § 112(2).

**FIFTH AFFIRMATIVE DEFENSE  
(PROSECUTION HISTORY ESTOPPEL)**

36. By reason of the arguments presented by its patent counsel and the claims canceled or not included during the prosecution of the application for the Ericsson Patents in Suit in the United States Patent and Trademark Office, Ericsson is estopped from construing the claimed inventions of such patents (or any equivalents thereof) as applying to any product made, used, sold, or offered for sale by QUALCOMM.

**SIXTH AFFIRMATIVE DEFENSE  
(INEQUITABLE CONDUCT)**

37. Ericsson's claim of infringement of the '557 patent is barred by the doctrine of inequitable conduct due to the intentional failure of Ericsson and Ericsson's patent attorney to disclose to the Patent Examiner, during the examination of the application for the '557 patent the

July 15, 1991 draft "Cellular System Dual-Mode Mobile Station-Base Station Compatibility Standard Rev. 1.1. (the "1991 Draft"), which was known to Ericsson and in Ericsson's possession, and upon information and belief known to Ericsson's patent attorney prosecuting the application, and contained material information relevant to the patentability of the claims of the '557 patent, including, specifically, section 2.1.3.3.8, "Variable Data Rate Transmission," and section 3.1.3.1.1.5, "Variable Data Rate Transmission (for Default Service Option)." This failure to disclose was with the intent to deceive the Patent Examiner, and did in fact deceive the Patent Examiner in approving for issuance the '557 patent to which Ericsson would otherwise not be entitled. In addition, Ericsson and its patent attorney intentionally failed to disclose to the Patent Examiner during the examination of the '557 patent a document published in July 1993 known as TIA/EIA/IS-95 (and earlier published drafts thereof known as PN-3118 (collectively, the "IS-95 Publication") which was available during the prosecution of the '557 patent, which disclosed the same information material to patentability contained in the 1991 Draft. This failure to disclose was with the intent to deceive the Patent Examiner, and did in fact deceive the Patent Examiner in approving for issuance the '557 patent which Ericsson would otherwise not be entitled.

38. Ericsson's claim of infringement of the '760 patent is barred by the doctrine of inequitable conduct due to the intentional failure of Ericsson and Ericsson's patent attorney to disclose to the Patent Examiner, during the examination of the application for the '760 patent, the 1991 Draft, which was known to Ericsson and in Ericsson's possession, and upon information and belief known to Ericsson's patent attorney prosecuting the application, and contained material information relevant to the patentability of the claims of the '760 patent, including, specifically, section 2.6.4.1.1, "Access Requirements" and 3.7.2.2.4.1, Channel Assignment Message. This failure to disclose was with the intent to deceive the Patent Examiner, and did in fact deceive the

Patent Examiner in approving for issuance the '760 patent to which Ericsson would otherwise not be entitled. In addition, Ericsson and its patent attorney intentionally failed to disclose to the Patent Examiner during the examination of the '760 patent the IS-95 Publication which was available prior to filing the '760 patent and TIA/EIA/IS-95-A, which was published in May 1995 ("IS-95-A Publication"), which was available during the prosecution of the '760 patent, each of which disclosed the same material information contained in the 1991 Draft. This failure to disclose was with the intent to deceive the Patent Examiner, and did in fact deceive the Patent Examiner in approving for issuance the '760 patent which Ericsson would otherwise not be entitled.

**SEVENTH AFFIRMATIVE DEFENSE  
(PATENT MISUSE)**

39. QUALCOMM incorporates by reference paragraphs 16-20 and 25-30 hereof.

40. Ericsson's representations to QUALCOMM, its customers, licensees, and the industry as a whole that Ericsson's Eight Patents would necessarily be infringed by, and enforceable against, anyone who makes or uses CDMA wireless telephones or wireless telephone systems in compliance with the IS-95 and IS-95-A standards are false and were known by Ericsson to be false when made by Ericsson. Such statements and false representations impermissibly broadened the scope of Ericsson's Eight Patents and has resulted in, and unless enjoined, will continue to have, an illegal anticompetitive effect on the cellular industry.

41. The above-mentioned conduct by Ericsson constitutes patent misuse with respect to Ericsson's Eight Patents, such that Ericsson's infringement claims against QUALCOMM are unenforceable with respect to such patents.

**EIGHTH AFFIRMATIVE DEFENSE  
(UNCLEAN HANDS)**

42. Ericsson's claims are barred by the doctrine of unclean hands for the reasons set forth in paragraphs 21 through 30, 37 and 38 above.

**NINTH AFFIRMATIVE DEFENSE  
(LACHES)**

43. Ericsson's claims are barred by the doctrine of laches for Ericsson's failure to diligently pursue its infringement claims, if any, it had against QUALCOMM.

**TENTH AFFIRMATIVE DEFENSE  
(CONTRACTUAL AND EQUITABLE ESTOPPEL)**

44. QUALCOMM incorporates by reference paragraphs 16-24 hereof.

45. As set forth above, Ericsson and QUALCOMM entered into the QUALCOMM/Ericsson NDA, whereby Ericsson agreed and acknowledged that QUALCOMM's CDMA Technology and spread spectrum wireless telephone techniques including, but not limited to, QUALCOMM's techniques for soft handoff, interference control, voice activity detection, power control, multiple receivers for multipath mitigation and CDMA signal design including forward error correction, PN sequence generation, pilot carrier and CDMA synchronization, are proprietary to QUALCOMM. Ericsson further agreed not to use any QUALCOMM proprietary CDMA technology except for the limited purposes set forth in the QUALCOMM/Ericsson NDA, and to assign to QUALCOMM any invention having as its fundamental substance QUALCOMM's proprietary CDMA.

46. By reason of the aforementioned agreement and acknowledgment, Ericsson is estopped by principles of contract and equity from asserting against QUALCOMM the '108.

'528, '557, '577, '003 and '760 patents which Ericsson contends "block" or are "essential to" the practice of IS-95-A or are otherwise infringed by QUALCOMM.

47. Ericsson has committed to the TTA and its members and in other public statements that it will license its "essential" patents, including the Ericsson Patents In Suit on reasonable terms and conditions demonstrably free from unfair discrimination. As a result, Ericsson is estopped from obtaining any injunctive relief for any of the Ericsson Patents in Suit.

**ELEVENTH AFFIRMATIVE DEFENSE  
(PATENT EXHAUSTION/IMPLIED LICENSE)**

48. QUALCOMM products accused to infringe and incorporating products accused to infringe the Ericsson Patents in Suit have been produced and are being produced under license from Ericsson. Thus, Ericsson's claims regarding such products are barred by the doctrines of patent exhaustion and implied license.

**COUNTERCLAIMS**

For its Counterclaims, QUALCOMM alleges as follows:

**FIRST COUNTERCLAIM  
(DECLARATORY JUDGMENT OF NON-INFRINGEMENT)**

1. QUALCOMM incorporates by reference paragraphs 16 through 30 of its Amended Answer herof.
2. This cause of action arises under the Federal Declaratory Judgment Act and the Patent Laws of the United States, and more particularly, under 28 United States Code sections 2201, 2202, 1338(a) and 35 United States Code section 1 et seq., respectively.
3. As a result of Ericsson's actions and statements, an actual controversy now exists between the parties regarding the alleged infringement of the Ericsson Patents in Suit.

4. QUALCOMM has not infringed and is not now infringing any claim of the Ericsson Patents in Suit.

5. QUALCOMM has not contributorily infringed and is not now contributorily infringing any claim of the Ericsson Patents in Suit.

6. QUALCOMM has not induced the infringement and is not now inducing the infringement of any claim of the Ericsson Patents in Suit.

**SECOND COUNTERCLAIM  
(INVALIDITY/UNENFORCEABILITY)**

7. QUALCOMM incorporates by reference paragraphs 16 through 30, 35 and 37 through 46 of its Amended Answer herEOF.

8. This is an action for a Declaratory Judgment of the invalidity and unenforceability of the Ericsson Patents in Suit.

9. This cause of action arises under the Federal Declaratory Judgment Act and the Patent Laws of the United States, and more particularly, under 28 United States Code sections 2201, 2202, 1338(a) and 35 United States Code sections 1 et seq., respectively.

10. There is an actual controversy between Ericsson and QUALCOMM concerning the invalidity and unenforceability of the Ericsson Patents in Suit and with respect to QUALCOMM's alleged liability for infringement.

11. The Ericsson Patents in Suit are invalid and unenforceable for any one of the reasons specified in the Fourth, Sixth, Seventh, Eighth, Ninth and Tenth Affirmative Defenses.

**THIRD COUNTERCLAIM  
(LANHAM ACT VIOLATION)**

12. Paragraphs 16 through 30 and 40 of QUALCOMM's Amended Answer herEOF are incorporated by reference.

13. Ericsson's false and exaggerated claims regarding the scope and effect of Ericsson's Eight Patents have created and continue to create the false impression to the industry, including existing and prospective licensees of QUALCOMM's proprietary CDMA technology and existing and prospective QUALCOMM customers, that Ericsson is the original and sole source of the IS-95 technology and that Ericsson's competitors and others in the industry cannot design around Ericsson's "essential" patents and/or lawfully make, use, sell, or offer for sale IS-95-A compliant cellular telephones and/or telephone systems without first obtaining a license from Ericsson under Ericsson's Eight Patents.

14. Ericsson's false and misleading representations have deceived and are likely to deceive the wireless telecommunications industry, including present and prospective customers and licensees of QUALCOMM, are material to such customers' and licensees' decisions to transact business with QUALCOMM, and have caused and are likely to continue to cause irreparable injury and damage to QUALCOMM.

15. Ericsson's conduct constitutes a violation of Section 43(a)(1) of the Lanham Act, 15 U.S.C. § 1125(a)(1), for which QUALCOMM is entitled to injunctive and monetary relief.

**FOURTH COUNTERCLAIM  
(UNFAIR COMPETITION UNDER TEXAS LAW)**

16. Paragraphs 16 through 30 hereof of QUALCOMM's Amended Answer and paragraph 12 through 14 hereof of QUALCOMM's counterclaims are incorporated by reference.

17. This is an action for unfair competition under the laws of the State of Texas. Jurisdiction of this counterclaim arises under 28 U.S.C. § 1338(b) and principles of pendent jurisdiction.

18. Ericsson has engaged in a pattern of unfair competition. In addition to disparaging QUALCOMM's CDMA technology and the IS-95 and IS-95-A standards, Ericsson has knowingly made false and unfounded claims, including the assertion that it owns or controls patents that are "essential" to the manufacture, use or sale of products that implement the IS-95-A standard, including QUALCOMM's CDMA products.

19. Initially, Ericsson refused even to identify the patents which were allegedly "essential" to the implementation and practice of the IS-95-A standard. Ericsson's refusal was coupled with a similar refusal to identify the IS-95-A specifications which were allegedly covered by Ericsson's patents or which products of QUALCOMM or QUALCOMM's licensees allegedly infringed Ericsson's patents.

20. Although Ericsson ultimately agreed to provide QUALCOMM and others in the industry with more specific information, by the time that Ericsson did so it had effectively "chilled" the adoption and development of QUALCOMM's CDMA technology in the U.S. and world-wide digital wireless telecommunications market during the critical period of world-wide digital technology development.

21. Ericsson's conduct was and is designed to afford Ericsson an unfair advantage in the digital wireless telecommunications market, and has caused irreparable harm and damage to the business of QUALCOMM and its actual and prospective licensees.

22. Ericsson's false and unfounded claims of allegedly "blocking" or "essential" patents (including the filing and maintaining of this lawsuit) were made to injure the business of QUALCOMM, a competitor, and to impede the commercial acceptance and implementation of QUALCOMM's CDMA technology. Ericsson's conduct was intended to interfere with

QUALCOMM's contractual relationship with existing licensees and with QUALCOMM's prospective economic advantage resulting from its current worldwide prospective licensees.

23. Ericsson's conduct constitutes unfair competition under the laws of the State of Texas.

**FIFTH COUNTERCLAIM  
(UNFAIR COMPETITION UNDER CALIFORNIA LAW)**

24. Paragraphs 16 through 30 hereof of QUALCOMM'S Amended Answer and paragraph 12 through 14 and 18 through 22 hereof of QUALCOMM's counterclaims are incorporated by reference.

25. This is an action for unfair competition under the laws of the State of California. Jurisdiction of this counterclaim arises under 28 U.S.C. § 1338(b) and principles of pendent jurisdiction.

26. Ericsson's conduct constitutes unfair competition under the laws of the State of California.

**SIXTH COUNTERCLAIM  
(BREACH OF CONTRACT)**

27. Paragraphs 16 through 19 of QUALCOMM's Amended Answer hereof are incorporated by reference.

28. This is an action for breach of contract. Jurisdiction over this counterclaim arises under 28 U.S.C. § 1338(b) and principles of pendent jurisdiction.

29. QUALCOMM is informed and believes that Ericsson has wrongfully disclosed and/or used the confidential information disclosed by QUALCOMM to Ericsson in connection with Ericsson's research, development, patent prosecution, public relations and business development, all in breach of Ericsson's obligations under the QUALCOMM/Ericsson NDA.

30. Pursuant to the QUALCOMM/Ericsson NDA, Ericsson expressly agreed that its failure to abide by or fulfill its obligations under the QUALCOMM/Ericsson NDA would cause irreparable harm to QUALCOMM for which QUALCOMM would have no adequate remedy at law.

31. Because of Ericsson's breach of its obligation under the QUALCOMM/Ericsson NDA, Ericsson is obligated to pay QUALCOMM's attorney's fees and costs in this action.

**SEVENTH COUNTERCLAIM  
(BREACH OF CONTRACT)**

32. Paragraphs 16 through 24 of QUALCOMM's Amended Answer heretofore are incorporated by reference.

33. This is an action for breach of contract. Jurisdiction over this counterclaim arises under 28 U.S.C. § 1332(a), 28 U.S.C. § 1338(b) and principles of pendent jurisdiction.

34. Pursuant to the QUALCOMM/Ericsson NDA, the Ericsson counterdefendants are obligated to assign and transfer to QUALCOMM all rights in and to the '557 and '760 patents.

35. Ericsson has breached its obligation to assign said rights in and to the '557 and '760 patents to QUALCOMM.

36. Pursuant to the QUALCOMM/Ericsson NDA, Ericsson expressly agreed that its failure to abide by or fulfill its obligations under the QUALCOMM/Ericsson NDA would cause irreparable harm to QUALCOMM for which QUALCOMM would have no adequate remedy at law.

37. Ericsson is obligated to pay QUALCOMM's attorney's fees and costs by reason of Ericsson's aforementioned breach.

**PRAYER FOR RELIEF**

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WHEREFORE, QUALCOMM prays as follows:

1. That this Court dismiss Ericsson's Second Amended Complaint and enter judgment that the Ericsson Patents in Suit are invalid, unenforceable and not infringed, and award QUALCOMM its attorneys' fees, costs of suit, and all additional relief as is just;

2. On QUALCOMM's First Counterclaim, for a declaration that QUALCOMM has not and does not infringe any of the Ericsson Patents In Suit;

3. On QUALCOMM's Second Counterclaim, for a declaration that the Ericsson Patents In Suit are invalid and/or unenforceable and a preliminary and permanent injunction enjoining and restraining Ericsson and its officers, agents, servants, employees and attorneys and all persons acting in concert with them, (i) from making any claim to any person or entity that QUALCOMM CDMA products compliant with IS-95, IS-95-A, or ANSI J-STD-008 infringe any of the Ericsson Patents in Suit, (ii) from interfering with or threatening to interfere with the manufacture, sale, license or use of QUALCOMM CDMA products compliant with IS-95, IS-95-A, or ANSI J-STD-008 by QUALCOMM, its distributors, customers, licensees, successors or assigns and others and (iii) from instituting or prosecuting any lawsuit or proceeding placing at issue the right of QUALCOMM, its distributors, customers, licensees, successors or assigns and others to make, use or sell QUALCOMM CDMA products compliant with IS-95, IS-95-A, or ANSI J-STD-008 in the context of the Ericsson Patents in Suit.

4. On QUALCOMM's Third Counterclaim, for judgment that Ericsson has violated Section 43(a)(1) of the Lanham Act, for enhanced damages according to proof, for Ericsson's profits derived from its violation of Section 43(a)(1), for QUALCOMM's costs of suit and reasonable attorneys' fees and for a preliminary and permanent injunction enjoining and restraining Ericsson, its officers, agents, servants, employees and attorneys and all persons acting

in concert with them, (i) from making any claim to any person or entity that any products, including QUALCOMM CDMA products, compliant with IS-95, IS-95-A, or ANSI J-STD-008 infringe any of the Ericsson Patents in Suit, (ii) from interfering with or threatening to interfere with the manufacture, sale, license or use of QUALCOMM CDMA products compliant with IS-95, IS-95-A, or ANSI J-STD-008 by QUALCOMM, its distributors, customers, licensees, successors or assigns and others and (iii) from instituting or prosecuting any lawsuit or proceeding placing at issue the right of QUALCOMM, its distributors, customers, licensees, successors or assigns and others to make, use or sell products, including QUALCOMM CDMA products, compliant with IS-95, IS-95-A, or ANSI J-STD-008 because of any of the Ericsson Patents in Suit.

5. On QUALCOMM's Fourth Counterclaim, for a judgment that Ericsson has engaged in acts of unfair competition under the laws of the State of Texas and for general, special, punitive and exemplary damages according to proof.

6. On QUALCOMM's Fifth Counterclaim, for a judgment that Ericsson is guilty of unfair competition under the laws of the State of California and for restitution according to proof.

7. On QUALCOMM's Sixth Counterclaim, for a judgment that Ericsson has breached the QUALCOMM/Ericsson NDA, for damages according to proof and for an award of contractual attorney's fees and costs.

8. On QUALCOMM's Seventh Counterclaim, for a judgment that Ericsson has breached the QUALCOMM/Ericsson NDA, for damages according to proof, for an award of contractual attorney's fees and costs and for an order directing Ericsson to assign all right, title and interest in and to the '577 and '760 patents to QUALCOMM.

9. For such other and further relief as the Court deems just and appropriate.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of the above and foregoing QUALCOMM's Second Amended Answer and Amended Counterclaim has been sent by certified mail, return receipt requested, on this the \_\_\_\_ day of MAY, 1997 to Plaintiff's counsel as follows:

Mike McKool Jr.  
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